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**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 09/757,206  
Filing Date: January 09, 2001  
Appellant(s): HALLIGAN ET AL.

**MAILED**  
**APR 25 2007**  
**GROUP 3600**

Jon P. Christensen  
For Appellant

**EXAMINER'S ANSWER**

This is in response to the appeal brief filed October 10, 2006 appealing from the Office action mailed July 31, 2006.

**(1) Real Party in Interest**

A statement identifying by name the real party in interest is contained in the brief.

**(2) Related Appeals and Interferences**

The following are the related appeals, interferences, and judicial proceedings known to the examiner, which may be related to, directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal:

Application Number 09/757,940

**(3) Status of Claims**

The statement of the status of claims contained in the brief is incorrect.

Claims 1-70 and 119-123 have been rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement.

Claims 1-70 and 119-123 have **not** been rejected under 35 U.S.C. 112, first paragraph, because the means for doing the step is humán.

The rejection of claims 1-70 and 119-123 under 35 U.S.C. 112, first paragraph, as not supported by a specific or well know utility has been **withdrawn**.

Claims 1-70 and 119-123 are rejected under 35 U.S.C. 101 because the claimed invention must produce a useful, concrete and tangible result.

Claims 8-31, 49-56 and 69 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter (Human Being).

The prior art rejections listed in the status of the claims is correct.

**(4) Status of Amendments After Final**

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

**(5) Summary of Claimed Subject Matter**

The summary of claimed subject matter contained in the brief is substantially correct. However, it should be noted that it is the examiners contention, as set forth below, that not all of the claimed elements have sufficient support in the original disclosure, which relates to the 35 U.S.C. 112, first paragraph, rejection. Furthermore, the appellant failed to clearly define the means plus function elements in claims 8-31, 49-56 and 69 that the examiner contents relates to human beings performing the functions. It is the appellant's contention that those elements are computer elements.

However, on pages 5 and 12 of the Appeal Brief the appellant states that support for the second element of claims 1, and 120-121, means within the programmed computer for receiving a numerical score value for the potential trade secret under predetermined criteria for each of the six factors, is shown in Figure 2, wherein Figure 2 shows some of the functional elements of the Trade Secret Applications of Figure 1 and more specifically the software portion of the Trade Secret Applications that accomplishes the entry of trade secret data for each trade secret. The Examiner asserts that Figure 2 does not provide support for the second element of claims 1 and 120-121.

Appellant states that the fourth element of claim 122 is limited to "repeating steps a, b, and c for each remaining trade secret of the plurality of trade secrets" and the fourth step is shown in Figure 2 wherein the process of Figure 2 is repeated after an application number is assigned or even if a valid trade secret is not found. The Examiner asserts that Figure 2 does not provide support for the fourth element of claim 122.

#### **(6) Grounds of Rejection to be Reviewed on Appeal**

The appellant's statement of the grounds of rejection to be reviewed on appeal is incorrect.

As stated above, the appellant failed to include the rejection of claims 8-31, 49-56 and 69 are unpatentable under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Also, as stated above, the rejection of claims 1-70 and 119-123 under 35 USC Section 112, first paragraph, as failing to comply with the enablement requirement because the claimed invention is not supported by a specific or well known utility is hereby ***withdrawn***.

The remaining grounds of rejections on Appeal as set forth on page 22 of the brief are correct.

**(7) Claims Appendix**

The copy of the appealed claims contained in the Appendix to the brief is correct.

**(8) Evidence Relied Upon**

6,263,314	Donner	7-2001
6,393,406	Eder	5-2002
5,136,646	Haber et al.	9-1992
6,356,909	Spencer	3-2002
6,556,992	Barney et al.	4-2003

**(9) Grounds of Rejection**

The following ground(s) of rejection are applicable to the appealed claims:

***Claim Rejections - 35 USC § 112***

Claims 1-70 and 121 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention.

The appellant's specification does not disclose adequate structure for performing the following recited structure.

In claims 1, 119, 120 and 121, all claim "means within the programmed computer for *providing* a predetermined criteria for evaluating a potential trade secret, however the appellant's disclosure failed to clearly define how a computer was going to create/provide a predetermined criteria for evaluating a trade secret. In the Summary of the Claimed Invention the appellant set forth that the means for performing this function was taught by a computer interface with a storage device and trade secret application that displays a questionnaire, however there is no teaching a computer program that would create or provide this questionnaire. The questionnaire is simply developed by a human-being and displayed by the computer program. Therefore, there is no specific teaching the disclosure that would allow one of ordinary skill in the art to develop a computer program that would in turn create/provide a predetermined criteria for evaluating a potential trade secret.

In claims 1, 119, 120, 121, 122, 123 all claim a form of calculating a metric from the received numerical score values, however the appellant's disclosure, as set forth in the Summary of Claimed Invention, that the means is simply an "**arithmetic processor**". There is no disclosure how this processor works or any formula used by the processor that would generate a metric from the numerical score values. Therefore, the process of generating this metric is simply a blackbox, that would not allow one of ordinary skill in the art to make or use this invention.

In claims 8-12, 14, 16-20, 23-31, 49-51, 53-56, 60, 62-63, 67 and 69, appellant claims a means for characterizing (whether the trade secret constitutes negative know-how, whether the trade secret is a combinational trade secret), means for specifying security measures, means for associating said security measures with a trade secret, means for specifying, means for determining which security

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measures are needed, means for specifying security threats, means for analyzing the ratio, means for specifying values for the six factors of a trade secret, means for determining employee exposure to a trade secret, means for characterizing employee exposure, means for characterizing security risk

The Examiner has reviewed the specification and submits that the added limitations find no support in the specification as currently written and is therefore, directed to new matter. The appellant specification appears to teach a questionnaire wherein a user inputs the values. The amended claim language wherein appellant claims a means within the programmed computer for providing a predetermined criteria for evaluation, a means within the programmed computer for receiving a numerical score value for the potential trade secret, a means within the programmed computer for calculating a metric, and a means with the programmed computer for ranking the potential trade secrets does not have sufficient support in the specification. The specification provides no teaching or disclosure for a means within the programmed computer to provide the predetermined criteria and receive a numerical score, or rank the potential trade secrets. As set forth in claim 1 as originally filed, the computer interface allows for the entry and display of data. The evaluation and characterization are all performed outside of the computer.

Claims 1-70 are 119-123 rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention.

More specifically, the Examiner asserts that one skilled in the pertinent art could not make and use appellant's invention without undue experiments.

First, appellant recites various means for performing many of the recited steps. However, as set forth below, in many of the claims, the means for doing the step is a human being, outside the computer. For example, what is the means of indexing trade secrets, means for characterizing, means for specifying security measures, means for determining which security measures are needed, means for specifying security threats, etc.

MPEP 2164 sets forth:

#### The Enablement Requirement

The enablement requirement refers to the requirement of 35 U.S.C. 112, first paragraph that the specification describe how to make and how to use the invention. The invention that one skilled in the art must be enabled to make and use is that defined by the claim(s) of the particular application or patent. The purpose of the requirement that the specification describe the invention in such terms that one skilled in the art can make and use the claimed invention is to ensure that the invention is communicated to the interested public in a meaningful way. The information contained in the disclosure of an application must be sufficient to inform those skilled in the relevant art how to both make and use the claimed invention.

#### 2164.01 Test of Enablement

Any analysis of whether a particular claim is supported by the disclosure in an application requires a determination of whether that disclosure, when filed, contained sufficient information regarding the subject matter of the claims as to enable one skilled in the pertinent art to make and use the claimed invention. The standard for determining whether the specification meets the enablement requirement was cast in the Supreme Court decision of *Mineral Separation v. Hyde*, 242 U.S. 261, 270 (1916) which postured the question: is the experimentation needed to practice the invention undue or unreasonable? That standard is still the one to be applied. *In re Wands*, 858 F.2d 731,

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737, 8 USPQ2d 1400, 1404 (Fed. Cir. 1988). Accordingly, even though the statute does not use the term "undue experimentation," it has been interpreted to require that the claimed invention be enabled so that any person skilled in the art can make and use the invention without undue experimentation. *In re Wands*, 858 F.2d at 737, 8 USPQ2d at 1404 (Fed. Cir. 1988). See also *United States v. Electronics, Inc.*, 857 F.2d 778, 785, 8 USPQ2d 1217, 1223 (Fed. Cir. 1988) ("The test of enablement is whether one reasonably skilled in the art could make or use the invention from the disclosures in the patent coupled with information known in the art without undue experimentation."). A patent need not teach, and preferably omits, what is well known in the art. *In re Buchner*, 929 F.2d 660, 661, 18 USPQ2d 1331, 1332 (Fed. Cir. 1991); *Hybritech, Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367, 1384, 231 USPQ 81, 94 (Fed. Cir. 1986), cert. denied, 480 U.S. 947 (1987); and *Lindemann Maschinenfabrik GMBH v. American Hoist & Derrick Co.*, 730 F.2d 1452, 1463, 221 USPQ 481, 489 (Fed. Cir. 1984).

Determining enablement is a question of law based on underlying factual findings. *In re Vaeck*, 947 F.2d 488, 495, 20 USPQ2d 1438, 1444 (Fed. Cir. 1991); *Atlas Powder Co. v. E.I. du Pont de Nemours & Co.*, 750 F.2d 1569, 1576, 224 USPQ 409, 413 (Fed. Cir. 1984).

## UNDUE EXPERIMENTATION

The fact that experimentation may be complex does not necessarily make it undue, if the art typically engages in such experimentation. *In re Certain Limited-Charge CellCulture Microcarriers*, 221 USPQ 1165, 1174 (Int'l Trade Comm'n 1983), aff'd sub nom., *Massachusetts Institute of Technology v. A.B. Fortia*, 774 F.2d 1104, 227 USPQ 428 (Fed. Cir. 1985). See also *In re Wands*, 858 F.2d at 737, 8 USPQ2d at 1404. The test of enablement is not whether any experimentation is necessary, but whether, if experimentation is necessary, it is undue. *In re Angstadt*, 537 F.2d 498, 504, 190 USPQ 214, 219 (CCPA 1976).

### 2164.01(a) Undue Experimentation Factors

There are many factors to be considered when determining whether there is sufficient evidence to support a determination that a disclosure does not satisfy the enablement requirement and whether any necessary experimentation is "undue." These factors include, but are not limited to:

- (A) The breadth of the claims;
- (B) The nature of the invention;
- (C) The state of the prior art;
- (D) The level of one of ordinary skill;
- (E) The level of predictability in the art;

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- (F) The amount of direction provided by the inventor;
- (G) The existence of working examples; and
- (H) The quantity of experimentation needed to make or use the invention based on the content of the disclosure.

In re Wands, 858 F.2d 731, 737, 8 USPQ2d 1400, 1404 (Fed. Cir. 1988) (reversing the PTO's determination that claims directed to methods for detection of hepatitis B surface antigens did not satisfy the enablement requirement). In Wands, the court noted that there was no disagreement as to the facts, but merely a disagreement as to the interpretation of the data and the conclusion to be made from the facts. In re Wands, 858 F.2d at 736-40, 8 USPQ2d at 1403-07. The Court held that the specification was enabling with respect to the claims at issue and found that "there was considerable direction and guidance" in the specification; there was "a high level of skill in the art at the time the application was filed;" and "all of the methods needed to practice the invention were well known." 858 F.2d at 740, 8 USPQ2d at 1406. After considering all the factors related to the enablement issue, the court concluded that "it would not require undue experimentation to obtain antibodies needed to practice the claimed invention." Id., 8 USPQ2d at 1407.

It is improper to conclude that a disclosure is not enabling based on an analysis of only one of the above factors while ignoring one or more of the others. The examiner's analysis must consider all the evidence related to each of these factors, and any conclusion of nonenablement must be based on the evidence as a whole. 858 F.2d at 737, 740, 8 USPQ2d at 1404, 1407.

A conclusion of lack of enablement means that, based on the evidence regarding each of the above factors, the specification, at the time the application was filed, would not have taught one skilled in the art how to make and/or use the full scope of the claimed invention without undue experimentation. In re Wright, 999 F.2d 1557, 1562, 27USPQ2d 1510, 1513 (Fed. Cir. 1993).

The appellant has submitted an application for an invention identified as a programmed computer for identifying trade secrets. Claim 1 identifies the program computer to comprise a means within the programmed computer for providing predetermined criteria for evaluating a potential trade secret of the plurality of potential trade secrets under each of six factors. The invention claims a means for receiving a numerical score value for the potential trade secret under the predetermined criteria.

First, there is not sufficient direction as to how to produce this numerical score value for the potential trade secret. The specification does not set forth explicit ranges or explicit criteria for the scores to allow one of skill in the art to make or use the invention without undue experimentation. For example, on page 6 of the specification the appellant states that appellant may provide information about the estimated values of the six factors of a trade secret, such as a 1 to 5 scale. On page 20 of the specification, the appellant states that the other five factors for each trade secret may be characterized by a value, for example, a number on a scale of 1 to 5. Through out the specification, the appellant provides tables, for example, Table A, Example of Trade Secret Data, and page 15, Table B, Example Company Data. On page 20 of the specification, Table C, the appellant provides Example Definitions of Values for the Six Factors. Appellant states on page 8 of the specification that once data is entered, various analyses may be requested of the system to be performed on the data. The appellant further states that the accounting system may calculate various weightings of the six factors for each trade secret. The appellant states *[t]hese weightings we call defendability factors, or defensibility factors, and maybe calculated using logical and mathematical formulae that may be configured into the accounting system and that the company may deem best meet its needs.* Through out the specification, the appellant states that calculation may be made using a logical and mathematical formula that may be configured into the accounting system and the company may deem best meets its needs (see page 18 of the specification). On page 24 of the specification, the appellant states that the assigned values may be averaged to provide the relevant metric.

Alternatively, the six assigned values may be multiplied and the sixth root taken of the product. The metric obtained using such process may be compared by the user or by the accounting system with a threshold value. Where the metric exceeds the predetermined threshold level, a determination may be made that a protectable trade secret exists. No predetermined threshold level is identified in the specification or no directions as how to produce this threshold level are set forth.

The Examiner asserts that there is a lack of concreteness in appellant's invention due to the inability of the invention to produce reproducible results. The appellant provides brief descriptions and multiple examples to try to place factors and calculations into context. However, there is not sufficient direction and guidance as to how to arrive at estimated values of the six factors, there is not sufficient direction and guidance to calculate the various weightings of the six factors, there is not sufficient direction and guidance as to how the potential trade secrets are ranked. There is not sufficient direction or guidance as to a precise scale for providing a numerical score, a precise formula for calculations preformed, ie, calculating various weightings of the six factors, calculating a value for security factors, calculating the net present value of each trade secret, calculating ratios, a precise definition of the one or more threshold values. All of these limitations are elusive due to the inconcrete nature, thereby casting doubt on the ability of one of ordinary skill in the art to produce absolutely repeatable and predictable results when attempting to analyze these scenarios, for multiple companies.

The appellant's invention has a means within the programmed computer for calculating a metric from the received numerical score values. There is not sufficient

direction or guidance as to how the calculation is performed. The appellant has provided no formulas with which the appellant performs the calculation. The appellant has not defined how the security measure factor is determined. The appellant talks about a threshold value in the specification and never really defines how the threshold value is determined. How are the values weighted? How is the net present value of a trade secret calculated? How is the economic benefit factor calculated? What and how are the characterizations as to whether the trade secret constitutes negative know-how made? In claim 22, the appellant claims a means for calculating various weighted values of the six factors using logical and mathematical equations. The appellant has failed to provide the mathematical equations used to perform calculations. How are the security threats factors calculated?

The Examiner's assertion that one skilled in the pertinent art could not make and use the appellant's invention is further emphasized by appellant's remarks in the request for re-consideration filed on May 11, 2006. Appellant states on page 33 ***that the evaluative judgments themselves are outside the scope of the claimed invention. The output of the invention is a ranked list that is an aggregation of the user-provided evaluative judgments. The ranked list is an aggregation of the user's own judgments and certainly has utility for the user himself. The appellant further states that the claims of the application are directed to the broad concepts described in the specification and include all contexts which perform the specified claim steps regardless of the specific calculations used.***

On page 34, the appellant states that ***how one would use the numerical score and the definition of the numerical score are not germane. The appellant's claim all contexts which perform the specified claim steps regardless of how the numerical score is defines.***

The appellant has identified an invention which requires the user to input information into a computer through the use of a questionnaire with multiple-choice questions wherein many of the questions have answers that are provided by the subjective analysis of the user. Because the answers are subjective, for a single situation, there could be different results based on the subjective analysis and determination of each user. This subjective information would result in a different value depending on the individual users. Thus, for each individual performing the invention, the result would be different and would have a different meaning. Therefore, the invention does not produce a repeatable or concrete result as required by the statute. The users of the invention must conduct a great deal of experimentation on their part in order to use the invention – to the point that the users become the inventor of their own application of the invention rather than the appellant.

Thus, the claims contain subject matter which was not described in the specification in such a way as to enable one skilled in the art to use the invention since the subjective interpretation does not provide a concrete result which can be used by one in the industry other than the person actually entering the information.

***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-70 and 119-123 are rejected under 35 U.S.C. 101 because for a claimed invention to be statutory, the claimed invention must produce a useful, concrete, and tangible result. "Usefulness" may be evidenced by, but not limited to, a specific utility of the claimed invention. "Concreteness" may be evidenced by, but not limited to, repeatability and/or implementation without undue experimentation. "Tangibility" may be evidenced by, but not limited to, a real or actual effect

In the present case, many of the answers to the multiple-choice questions in the questionnaire are subjective. Thus, because the answers are subjective, for a single situation, there could be different results based on the subjective determination of the user. Therefore, the appellant's invention is not capable of providing concrete results as required by 35 U.S.C. 101 since it would be difficult for a person to repeat the analysis and determination of another based on the subjective subject matter without undue experimentation.

Furthermore, the claimed invention is not supported by either a credible asserted utility or a well established utility. It is unclear how the specific utility of the claimed invention as described in the disclosure of this application would be useful or tangible to one in the industry. It is unclear how the numerical score value would be used by a person in the industry, i.e., what does the score mean to a person in the industry, especially in view of the fact that any comparison is made by comparing the assigned

values with a predetermined threshold value which is not an industry standard value or a mathematically derived standard but rather a value chosen by the user (page 15 of the remarks section to the response). For example, an academic test score of 95 is considered an A unless specifically defined otherwise. What does the numerical score value that is derived by this invention mean and to whom does it have a meaning. Is there a threshold value that has a real world meaning?

Claims 8-31, 49-56 and 69 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

MPEP 2105 states if the broadest reasonable interpretation of the claimed invention as a whole encompasses a human being, then a rejection under 35 U.S.C. 101 must be made indicating that the claimed invention is directed to nonstatutory subject matter.

The means for performing the function in the above referenced claims appears to be a human being. Therefore, these claims are directed to nonstatutory subject matter.

#### ***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the appellant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the appellant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1, 3-35, 37-39, 43-44, 47-57, 60-63, 67-70 and 121 are rejected under 35 U.S.C. 102(e) as being anticipated by Donner (US 6, 263, 314).

Referring to Claims 1, 3-35, 37-39 43-44, 47-57, 60-63, 67-70, and 121:

Donner discloses a system for providing documentation, analysis, auditing, and accounting of IP (which includes trade secrets), said system comprising:

a data processing means for calculating (Fig. 1 (6), Fig. 8 (250); col. 11, lines 1-10);

a user interface means for providing predetermine criteria for a user to evaluate a potential trade secret and to receive a numerical score (Figure 1 (2); Fig. 7, Fig. 8 (264));

a mass data storage means (Fig. 1 (4)(5), Fig. 2);

a means for indexing (Fig. 3 (indicator collection organizing device));

a means for storing or archiving or indexing (Fig. 1 (4) (5), Fig. 2);

a means for associating (Fig. 1 (10), Fig. 3 comparison device);

a means for analyzing, comparing and weighing (col. 5, lines 5-17; Figure 1 (8) Figure 2 (20));

a means for ranking (col. 9, lines 61-64)

The language directed to an intended use of the system in a claim for an apparatus or system does not result in a structural or functional difference with respect to the prior art and held not to serve as a limitation on the claim as long as the prior art system is fully capable of performing that function (See *In re Schreiber*, 44 USPQ2d 1429 (CAFC 1997)).

Claims 1-41, 43-44, 47-57, 60-63, 67-70 and 121 are rejected under 35 U.S.C. 102(e) as being anticipated by Eder (US 6,393, 406).

Eder discloses a system comprising:

data processing means (Fig. 3 (136));

user interface for providing predetermined criteria and receiving data (Fig. 1 (20));

mass data storage means (Fig. 1 (15, 10, 30, 35, 40, 50) Fig. 3 (135))

printer means (Fig. 3 (137), Fig. 12 (118))

calculating means (Fig. 1 (400), Fig. 12 (772))

comparison or analysis means (Fig. 12 (773))

The language directed to an intended use of the system in a claim for an apparatus or system does not result in a structural or functional difference with respect to the prior art and held not to serve as a limitation on the claim as long as the prior art is fully capable of performing the function. (See *In re Schreiber*, 44 USPQ2d 1429 (CAFC 1997)).

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 42, 45-46, 58-59 and 64-66 are rejected under 35 U.S.C. 103(a) as being unpatentable over Donner and Eder as applied to claim 1 above, and further in view of Haber et al (US 5,136,646) (hereinafter referred to as Haber).

Neither Donner or Eder disclose an application fingerprint of the data.

However, Haber discloses creating an application fingerprint of the data (col. 3, lines 50-55).

It would have been obvious to one of ordinary skill in the art to combine the fingerprint as taught by Haber with the scoring and ranking disclosed in Donner and Eder so that once the scored and ranked information is stored, there is a way to verify the date so that, should the time become a matter for later proof, the established procedure serve as effective evidence in substantiating the fact.

Claims 2 and 40-41 are rejected under 35 U.S.C. 103(a) as being unpatentable over Donner as applied to claim 1 above, and further in view of Eder.

Donner does not disclose a printer. However, Eder discloses a printer (Figure 7 (137)).

It would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the auditing system of Donner the printer of Eder so that the reports generated could be produced for in hardcopy for review and storage.

Claims 119-120 and 122-123 are rejected under 35 U.S.C. 103(a) as being unpatentable over Spencer (US 6,356,909) (hereinafter referred to as Spencer) in view of Barney et al (6,556,992) (hereinafter referred to as Barney).

Spencer discloses computer method, system and program, comprising:

- providing a questionnaire of multiple-choice questions (Figures 14, col. 12, line 65 thru col. 13, line 18 - *multiple choice questions*) ;
- providing a numerical score value to each of the responses on the questionnaire (col. 12, line 65 thru col. 13, line 18 *multiple choice questions may have a sliding value depending on the answer selected. Each question/selection is given a weight that is used to develop a scorecard*);
- accepting responses to the questionnaire through the input device (col. 13, lines 11-18 *individual question responses*, Figure 3A – (4) *Response database*);
- converting the responses received to a numerical score value (col. 12, line 65 thru col. 13, line 18 *scorecard*).

Spencer does not disclose that the subject matter of the invention is trade secrets or that the questions relate to the six factors for a trade secret of the First Restatement of Torts, or calculating a geometric mean, the sixth root of the product, of

the numerical score values to create a single metric, or repeating the program for each of the remaining items to be evaluated or ranking the items in ascending or descending order of the calculated metric.

However, Barney discloses repeating the program for each of the remaining items to be evaluated and ranking the items, wherein the items are patents and other intangible intellectual property assets (*trade secrets*) (col. 5, lines 56-62, col. 6, lines 3-9 *ratings or rankings are generated using a database of information by identifying and comparing various characteristics of each patent to a statistically determined distribution of the same characteristic within a given patent population*, col. 7, lines 51-60 – *ranking in ascending or descending order is inherent in the definition of ranking as admitted by appellant on page 18 or the Remarks*).

It would have been obvious to one of ordinary skill in the art at the time of the invention to combine the ranking of intellectual property assets as taught by Barney into the disclosure of Spencer so as to allow an entity to identify and study relevant characteristics of intellectual property to determine and measure those metrics that are predictive of a possible future event, such as an intangible intellectual property asset being litigated.

Although Barney discloses a rating for patents and other intangible intellectual property assets, neither Spencer or Barney explicitly disclose rating trade secrets or the questions relating to the six factors for a trade secret of the First Restatement of Torts or calculating a geometric mean, the sixth root of the product, of the numerical score value.

However, a geometric mean is old and well known. Geometric mean as defined by the Merriam Webster on line dictionary as:

Main Entry: **geometric mean**

Function: *noun*

: the nth root of the product of  $n$  numbers; *specifically* : a number that is the second term of three consecutive terms of a geometric progression <the *geometric mean* of 9 and 4 is 6>

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It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Spencer to include a geometric mean that is the sixth root of the product since the appellant has identified six factors for a trade secret, thus the 6<sup>th</sup> root of the product of 6 numbers to come up with a numerical score value which can be used for comparison purposes when making an analysis of the trade secret.

The fact that the subject matter is about trade secrets or that the questions relate to the First Restatement of Torts is determined to be non-functional descriptive data. The language is not functionally interrelated with the useful acts, structure or properties of the claimed invention. The weighted scoring and ranking would be performed the same regardless of the data. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, see *In re Gulack*, 703 F. 2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983), *In re Lowry*, 32 F. 3d. 1579, 32 USPQ2d 1031 (Fed. Cir. 1994)

Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to provide weighted scoring and ranking of trade secrets because

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such data does not functionally relate to the steps of the method or the structure of the system and because the subjective interpretation of the data does not patentably distinguish the claimed invention.

#### (10) Response to Argument

A. Claims 1-70 are 119-123 rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement.

1. Rejection of claims 1-70 and 121 under 35 USC 112, 1<sup>st</sup> paragraph- new matter and means plus function language.

NOTE: The Examiner notes that the appellant states on page 25 that the Examiner also rejected claims 119-120 and 122-123 under this heading wherein the arguments with respect to these claims are directed to "means plus function elements" and that claims 119-120 and 122-123 are method claims. The Examiner asserts that the appellant is correct and therefore the rejection of claims 119-123 under this heading is *withdrawn*.

The Examiner asserts that the appellant's specification does not disclose adequate structure for performing the recited functions in the "means plus function" language.

For example, in claim 1 the appellant claims a *means within the programmed computer for providing* a predetermined criteria for evaluating a potential trade secret. In claims 8-12, 14, 16-20, 23-31, 49-51, 53-56, 60, 62-63, 67 and 69, appellant claims a means for characterizing (whether the trade secret constitutes negative know-how,

whether the trade secret is a combinational trade secret), means for specifying security measures, means for associating said security measures with a trade secret, means for determining which security measures are needed, means for specifying security threats, means for analyzing the ratio, means for specifying values for the six factors of a trade secret, means for determining employee exposure to a trade secret, means for characterizing employee exposure, means for characterizing security risk.

MPEP Section 2163.06 states:

Lack of written description is an issue that generally arises with respect to the subject matter of a claim. If an appellant amends or attempts to amend the abstract, specification or drawings of an application, an issue of new matter will arise if the content of the amendment is not described in the application as filed. Stated another way, information contained in any one of the specification, claims or drawings of the application as filed may be added to any other part of the application without introducing new matter.

**If new matter is added to the claims**, the examiner should reject the claims under 35 U.S.C. 112, first paragraph - written description requirement. *In re Rasmussen*, 650 F.2d 1212, 211 USPQ 323 (CCPA 1981).

Appellant should therefore specifically point out the support for any amendments made to the disclosure.

The Examiner has reviewed the specification and submits that the added limitations find no support in the specification as currently written and is therefore, directed to new matter. The appellant specification appears to teach a questionnaire wherein a user inputs the values. The amended claim language wherein appellant claims a means within the programmed computer for providing a predetermined criteria for evaluation, a means within the programmed computer for receiving a numerical score value for the potential trade secret, a means within the programmed computer for

calculating a metric, and a means with the programmed computer for ranking the potential trade secrets is not sufficiently disclosed in the specification to enable one to make or use the invention. Appellant's specification provides no teaching or disclosure for a means within the programmed computer to provide the predetermined criteria and receive a numerical score, or rank the potential trade secrets. As set forth in claim 1 as originally filed, the computer interface allows for the entry and display of data. The evaluation and characterization are all performed outside of the computer.

Appellant states that Figure 1 clearly discloses a computer system and Table C shows the structure of the predetermined criteria located within the computer. The Examiner asserts that Figure 1 discloses a computer interface for displaying the criteria, wherein the computer interface displays any input by the user.

The Examiner asserts that the appellant's specification does not disclose adequate structure for performing the recited function of characterizing whether the trade secret constitutes negative know-how or whether the trade secret is a combinational trade secret. Appellant states that page 17, second full paragraph of the specification, clearly describes data for identifying whether the trade secret constitutes negative know-how or a combinational trade secret and this is adequate structure. The Examiner asserts that appellant is correct that the specification discloses data identifying how to make the determination. However, the Examiner asserts that the determination is made by a human and not by structure within the computer system. Therefore, the Examiner asserts that there is not support for a means for characterizing.

Appellant argues that the appellant's disclosure provides support for a means for specifying security means, means for associating the security measures with a trade secret, means for specifying and means for determining which security measures are needed, means for specifying security threats, means for analyzing the ration, means for characterizing security risk, means for specifying values for the six factors of a trade secret, means for determining employee exposure. The appellant states that page 17, third full paragraph, through page 20, first full paragraph, page 25, first full paragraph to page 28, end of the first full paragraph, and Appendix I clearly discuss these elements, as well as Figures 1, 3, 4, 5 and Table C. However, the Examiner asserts that the means for specifying , analyzing, and characterizing is the user, a human being, and therefore, there is not adequate disclosure in the specification to support "means plus function".

**2. Rejection of Claims 1-70 are119-123 rejected under 35 U.S.C. 112, 1<sup>st</sup> paragraph.**

The Examiner asserts that one skilled in the pertinent art could not make and use appellant's invention without undue experimentation.

First, appellant recites various means for performing many of the recited steps. However, as set forth below, in many of the claims, the means for performing the step is a human being, outside the computer. For example, means for characterizing, means for specifying security measures, means for determining which security measures are needed, means for specifying security threats, etc. appear to be the user, a human being; outside of the computer and not structure within the system.

MPEP 2164 sets forth:

#### The Enablement Requirement

The enablement requirement refers to the requirement of 35 U.S.C. 112, first paragraph that the specification describe how to make and how to use the invention. The invention that one skilled in the art must be enabled to make and use is that defined by the claim(s) of the particular application or patent. The purpose of the requirement that the specification describe the invention in such terms that one skilled in the art can make and use the claimed invention is to ensure that the invention is communicated to the interested public in a meaningful way. The information contained in the disclosure of an application must be sufficient to inform those skilled in the relevant art how to both make and use the claimed invention.

#### 2164.01 Test of Enablement

Any analysis of whether a particular claim is supported by the disclosure in an application requires a determination of whether that disclosure, when filed, contained sufficient information regarding the subject matter of the claims as to enable one skilled in the pertinent art to make and use the claimed invention. The standard for determining whether the specification meets the enablement requirement was cast in the Supreme Court decision of *Mineral Separation v. Hyde*, 242 U.S. 261, 270 (1916) which postured the question: is the experimentation needed to practice the invention undue or unreasonable? That standard is still the one to be applied. *In re Wands*, 858 F.2d 731, 737, 8 USPQ2d 1400, 1404 (Fed. Cir. 1988). Accordingly, even though the statute does not use the term "undue experimentation," it has been interpreted to require that the claimed invention be enabled so that any person skilled in the art can make and use the invention without undue experimentation. *In re Wands*, 858 F.2d at 737, 8 USPQ2d at 1404 (Fed. Cir. 1988). See also *United States v. Telecommunications, Inc.*, 857 F.2d 778, 785, 8 USPQ2d 1217, 1223 (Fed. Cir. 1988) ("The test of enablement is whether one reasonably skilled in the art could make or use the invention from the disclosures in the patent coupled with information known in the art without undue experimentation."). A patent need not teach, and preferably omits, what is well known in the art. *In re Buchner*, 929 F.2d 660, 661, 18 USPQ2d 1331, 1332 (Fed. Cir. 1991); *Hybritech, Inc. v. Monoclonal Antibodies , Inc.*, 802 F.2d 1367, 1384, 231 USPQ 81, 94 (Fed.Cir. 1986), cert. denied, 480 U.S. 947 (1987); and *Lindemann Maschinenfabrik GMBH v. American Hoist & Derrick Co.*, 730 F.2d 1452, 1463, 221 USPQ 481, 489 (Fed. Cir. 1984).

Determining enablement is a question of law based on underlying

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factual findings. *In re Vaeck*, 947 F.2d 488, 495, 20 USPQ2d 1438, 1444 (Fed. Cir. 1991); *Atlas Powder Co. v. E.I. du Pont de Nemours & Co.*, 750 F.2d 1569, 1576, 224 USPQ 409, 413 (Fed. Cir. 1984).

## UNDUE EXPERIMENTATION

The fact that experimentation may be complex does not necessarily make it undue, if the art typically engages in such experimentation. *In re Certain Limited-Charge CellCulture Microcarriers*, 221 USPQ 1165, 1174 (Int'l Trade Comm'n 1983), aff'd sub nom., *Massachusetts Institute of Technology v. A.B. Fortia*, 774 F.2d 1104, 227 USPQ 428 (Fed. Cir. 1985). See also *In re Wands*, 858 F.2d at 737, 8 USPQ2d at 1404. The test of enablement is not whether any experimentation is necessary, but whether, if experimentation is necessary, it is undue. *In re Angstadt*, 537 F.2d 498, 504, 190 USPQ 214, 219 (CCPA 1976).

### 2164.01(a) Undue Experimentation Factors

There are many factors to be considered when determining whether there is sufficient evidence to support a determination that a disclosure does not satisfy the enablement requirement and whether any necessary experimentation is "undue." These factors include, but are not limited to:

- (A) The breadth of the claims;
- (B) The nature of the invention;
- (C) The state of the prior art;
- (D) The level of one of ordinary skill;
- (E) The level of predictability in the art;
- (F) The amount of direction provided by the inventor;
- (G) The existence of working examples; and
- (H) The quantity of experimentation needed to make or use the invention based on the content of the disclosure.

*In re Wands*, 858 F.2d 731, 737, 8 USPQ2d 1400, 1404 (Fed. Cir. 1988) (reversing the PTO's determination that claims directed to methods for detection of hepatitis B surface antigens did not satisfy the enablement requirement). In *Wands*, the court noted that there was no disagreement as to the facts, but merely a disagreement as to the interpretation of the data and the conclusion to be made from the facts. *In re Wands*, 858 F.2d at 736-40, 8 USPQ2d at 1403-07. The Court held that the specification was enabling with respect to the claims at issue and found that "there was considerable direction and guidance" in the specification; there was "a high level of skill in the art at the time the application was filed;" and "all of the methods needed to practice the invention were well known." 858 F.2d at 740, 8 USPQ2d at 1406. After considering

all the factors related to the enablement issue, the court concluded that "it would not require undue experimentation to obtain antibodies needed to practice the claimed invention." Id., 8 USPQ2d at 1407.

It is improper to conclude that a disclosure is not enabling based on an analysis of only one of the above factors while ignoring one or more of the others. The examiner's analysis must consider all the evidence related to each of these factors, and any conclusion of nonenablement must be based on the evidence as a whole. 858 F.2d at 737, 740, 8 USPQ2d at 1404, 1407.

A conclusion of lack of enablement means that, based on the evidence regarding each of the above factors, the specification, at the time the application was filed, would not have taught one skilled in the art how to make and/or use the full scope of the claimed invention without undue experimentation. *In re Wright*, 999 F.2d 1557, 1562, 27USPQ2d 1510, 1513 (Fed. Cir. 1993).

The appellant has applied for an invention identified as a programmed computer and method for identifying trade secrets. Claim 1 identifies the programmed computer to comprise a means within the programmed computer for providing predetermined criteria for evaluating a potential trade secret of the plurality of potential trade secrets under each of six factors. The invention claims a means for receiving a numerical score value for the potential trade secret under the predetermined criteria. The means in claim 1 appears to be a user interface. However, the means for specifying or characterizing appear to the user, a human being.

The appellant identifies the invention as providing a questionnaire of six multiple-choice question and eliciting responses as to the extent that a trade secret meets each of the six factors of a trade secret from the First Restatement of Torts, said six factors including (1) the extent to which the information is known outside of the business, (2) the extent to which it is known by employees and others involved in the business, (3) the extent of measures taken by the business to guard the secrecy of the information,

(4) the value of the information to the business and its competitors; (5) the amount of time, effort or money expended by the business in developing the information and (6) the ease or difficulty with which the information could be properly acquired or duplicated.

Appellant argues on page 27 of the Appeal Brief that the claimed invention, in every case, is limited to the six factors of a trade secret and that these factors are very specific, as is the criteria set forth in Table C and elsewhere. However, the Examiner asserts that no matter how exacting the six factors are, the subjective analysis as to these six factors and the lack of direction and guidance as to the meaning of numerical score values or how to apply these values is the reason for the lack of concreteness and enablement.

The appellant states on pages 6 through 7 of the specification that the appellant *may* provide information about the ***estimated values*** of the six factors of a trade secret, ***such as on a 1 to 5 scale***, the ***estimated level*** of the security threat to the trade secret, ***such as in a 1 to 5 scale***, the ***estimated level*** of the security measures taken to protect the trade secret, ***such as on a 1 to 5 scale and other data and information***. However, the Examiner asserts that the appellant does not provide sufficient guidance or direction as to the actual numerical scale being used in the invention or how the scale is to be applied. On page 18 of the specification, the appellant states that the accounting system *may* derive a weighted security measure factor for each trade secret and the calculation *may* be made using a logical and mathematical formula. However, the appellant has not provided sufficient guidance and direction as to what the weighted

factors are or how they are applied. The appellant discloses on page 23 of the specification that the defendability factors ***may be compared with one or more threshold values*** within the accounting system. On page 24, the appellant discloses that once the values have been assigned under the relevant criteria, the assigned values ***may be*** averaged to provide the relevant metric. Appellant further discloses that, alternatively, the six assigned values ***may be*** multiplied and the sixth root taken of the product. In appellant's invention, the metric obtained using such process may be compared by the user or by the accounting system with a threshold value. Where the metric exceeds the predetermined threshold level, a determination may be made that a protectable trade secret exists. (page 24 of the specification).

The Examiner asserts that the appellant does not provide sufficient guidance or direction as to what the numerical values are, how the values are assigned under the relevant criteria, or what the threshold values are. Appellant discloses on page 27 of the specification that a refinement of this method contained in the preferred embodiment shown may be to characterize the employee exposure with one or more employee exposure factors, ***for example, on a 1 to 5 scale***. The specification discloses that the accounting system ***may define*** this value by determining the total number of trade secrets to which the employee has been exposed, the total dollar value of trade secrets to which the employee has been exposed, the total defendability of the trade secrets to which the employee has been exposed, ***or some other exposure measure***, for each employee. The Examiner asserts that the appellant's disclosure provides generalities

and examples but no concrete guidance or direction to enable one skilled in the art to make or use the invention, thus providing not practical application for the user.

For example, the specification does not set forth explicit ranges or explicit criteria for the scores or how to apply the scores to allow one of skill in the art to make or use the invention without undue experimentation. The appellant states that the accounting system may calculate various weightings of the six factors for each trade secret. The appellant states *[t]hese weightings we call defendability factors, or defensibility factors, and maybe calculated using logical and mathematical formulae that may be configured into the accounting system and that the company may deem best meet its needs.*

Through out the specification, the appellant states that calculation may be made using a logical and mathematical formula that may be configured into the accounting system and the company ***may deem best meets its needs*** (see page 18 of the specification).

The Examiner asserts that there is a lack of concreteness in appellant's invention due to the inability of the invention to produce reproducible results. The appellant provides brief descriptions and multiple examples to try to place factors and calculations into context. However, there is not sufficient direction and guidance as to how to arrive at estimated values of the six factors, there is not sufficient direction and guidance to calculate the various weightings of the six factors, there is not sufficient direction and guidance as to how the potential trade secrets are ranked. Furthermore, there is not sufficient direction or guidance as to a precise scale for providing a numerical score, a precise formula for calculations preformed, ie, calculating various weightings of the six factors, calculating a value for security factors, calculating the net present value of each

trade secret, calculating ratios, or a precise definition of the one or more threshold values. All of these limitations are elusive due to the inconcrete nature, thereby casting doubt on the ability of one of ordinary skill in the art to produce absolutely repeatable and predictable results when attempting to analyze these scenarios, for multiple companies.

The appellant's invention has a means within the programmed computer for calculating a metric from the received numerical score values. There is not sufficient direction or guidance as to how the calculation is performed. The appellant has provided no formulas with which the appellant performs the calculation. The appellant has not defined how the security measure factor is determined. The appellant discloses a threshold value in the specification and but does not define how the threshold value is determined. How are the values weighted? How is the net present value of a trade secret calculated? How is the economic benefit factor calculated? What and how are the characterizations as to whether the trade secret constitutes negative know-how made? In claim 22, the appellant claims a means for calculating various weighted values of the six factors using logical and mathematical equations. The appellant has failed to provide the mathematical equations used to perform calculations. How are the security threats factors calculated?

Appellant states on page 27 of the Appeal Brief that the metric calculated from the six factors may be based upon the sixth root and that the sixth root is a very specific quantity. The Examiner notes that the sixth root is not claimed in independent claims 1 or 119-123.

The Examiner's assertion that one skilled in the pertinent art could not make and use the appellant's invention is further emphasized by appellant's remarks in the request for re-consideration filed on May 11, 2006. Appellant states on page 33 *that the evaluative judgments themselves are outside the scope of the claimed invention. The output of the invention is a ranked list that is an aggregation of the user-provided evaluative judgments. The ranked list is an aggregation of the user's own judgments and certainly has utility for the user himself. The appellant further states that the claims of the application are directed to the broad concepts described in the specification and include all contexts which perform the specified claim steps regardless of the specific calculations used.*

On page 34 of the request for re-consideration filed on May 11, 2006, the appellant states that *how one would use the numerical score and the definition of the numerical score are not germane. The appellant's claim all contexts which perform the specified claim steps regardless of how the numerical score is defined.*

The appellant has identified an invention which requires the user to input information into a computer through the use of a questionnaire with multiple-choice questions wherein many of the questions have answers that are provided by the subjective analysis of the user. Moreover, the appellant has not provided direction or guidance as to what defines the numerical score values entered by this subjective analysis or how these values are to be applied. Because the answers are subjective, for a single situation, there could be different results based on the subjective analysis

and determination of each user. This subjective information would result in a different value depending on the individual users. Thus, for each individual performing the invention, the result would be different and would have a different meaning. Therefore, the invention does not produce a repeatable or concrete result as required by the statute or have a practical application. The users of the invention must conduct a great deal of experimentation on their part in order to use the invention – to the point that the users become the inventor of their own application of the invention rather than the appellant. Appellant has not defined how a user would analyze or apply the numerical score values or what the calculated metric value would mean to the user, let alone describe how such a value can be used or what it would mean to one of ordinary skill. Thus, the Examiner asserts that the claims contain subject matter which was not described in the specification in such a way as to enable one skilled in the art to use the invention.

Appellant states on page 27 that the specification clearly indicates that the invention is practiced within a computer and for any given input to the computer, the results would be completely reproducible. It is unclear to the Examiner from appellant's disclosure how the computer would be programmed, without undue experimentation, to provide a numerical score value to each of the responses possible on the questionnaire or to convert the responses received to the respective numerical score values in order to take into account all of the subjective answers which the process entails. Although the instant specification is replete with generalizations regarding the various factors to be taken into consideration, it is short on any specific direction or guidance as to

actually assigning the numerical score value and converting the responses to the respective numerical score values.

The appellant states that the Examiner's argument with respect to enablement fails on several levels. On the first level, the appellant asserts that the selection of a user input is not part of the claimed method or apparatus. The appellant states that the essence of the independent claims is a method and apparatus that aggregates user judgment with respect to six necessary component variables for a trade secret into a single variable, condensing the user's judgment into one variable that can be more easily compared, sorted out, and characterized (page 28 of the Appeal Brief). The appellant then states that for a given input to the method, the output of the method is deterministic, and therefore concrete.

The Examiner is unclear how the appellant can make the statement that the selection of a user input is not part of the claimed invention. Representative claims 1 and 119-123 clearly claim providing a questionnaire of six multiple-choice questions, providing a numerical score value to each of the responses possible on the questionnaire, accepting responses through the input device in response to the questionnaire, converting the individual responses received to the numerical score values, calculating a metric from the received numerical score values, and ranking the trade secrets in order of the calculated metric. Thus, the Examiner asserts that the user's judgment with respect to the six necessary component variables is the input. This input is the numerical score value that is then incorporated into the single metric, which, in turn, is used to rank the trade secrets.

The appellant asserts that the Examiner overstates the subjectivity of the input information. Appellant states that a great deal of research and experience has shown that individuals have little trouble ranking items on a scale of one to five. The appellant asserts that the Examiner's argument would indicate that the GPAs of all students in the United States are subjective and, thus, not concrete.

The Examiner asserts that the appellant fails to understand the Examiner's position. It is the subjective nature of the appellant's input into the computer and the lack of guidance and direction as to the meaning and application of values that raises the question of enablement. The Examiner asserts that it is the subjective analysis and judgments in applying undefined values that prevents the invention from producing a practical application without undue experimentation. Moreover, it is not that individuals have little trouble ranking items on a scale of one to five, it is the fact that the scale of one to five has not been defined. What defines a one or a two? What does a one or a five mean? How is the scale to be applied? The appellant states that the "essence of the independent claims is a method or apparatus that aggregates user judgment". The appellant then states that the invention is for "condensing the user's judgment into one variable". The Examiner asserts that it is this subjective input and the lack of guidance and direction as to how to apply this subjective analysis into the numerical score values that creates the lack of enablement. Because the appellant's invention involves the subjective analysis of the user, the invention would require undue experimentation by another user - to the point that the users become the inventor of their own application of the invention rather than the appellant.

Appellant asserts a second time that the determination of the answers to the six questions is not part of the claimed invention. The appellant then asserts that even if the determination of answers were part of the claimed invention, the six questions do not present an enablement question since techniques for the resolution of inexact questions are well known in the art of surveys and public policy. Appellant then asserts that the claimed invention is limited to the process of ranking trade secrets based upon grading of the six factors of a trade secret. Since the grading by the user of each of the six factors is outside the claimed invention, the appellant asserts that the rejection is inapposite and should be overturned.

As set forth above, the Examiner respectfully disagrees with the appellant's assertion that the grading by the user of the six factors is outside the claimed invention and directs the appellant to steps (a) through (e) of representative claim 96.

In conclusion, the Examiner asserts that the rejections based upon enablement are proper and should be sustained for the reasons set forth below.

The nature of appellant's invention requires the subjective analysis as to the extent that a trade secret meets each of the six factors of a trade secret, wherein the six factors come from the First Restatement of Torts. One in the art typically knows and utilizes the six factors as they are set forth in the First Restatement of Torts. However, as appellant asserts in the Appeal Brief (page 33), *judges are instructed by Section 757 of the Restatement of Torts to consider the six factors in adjudicating trade secret disputes and every trade secret litigation includes an analysis by the judge to the extent to which the alleged trade secret meets the six factors.* Appellant further states that

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attorneys involved in trade secret cases must also perform such analysis in preparing for and litigating these matters. Appellant states that the essence of the independent claims in the present application is a method or apparatus that aggregates user judgment with respect to six necessary component variables for a trade secret into a single variable, condensing the user's judgment into one variable that can be more easily compared, sorted, and characterized (page 28 of appeal brief). Appellant states that some differences in the evaluations of individual skilled evaluators will always be present in any judgment (page 34 of the appeal brief). The appellant then poses the question of whether the professional judgments of skilled judges, attorneys, and other trade secret professionals are so subjective as to render the invention useless (page 35 of appeal brief).

Thus, from the onset, the Examiner asserts that it is apparent that any analysis as to the extent that an alleged trade secret meets the six factors cannot be reliably or predictably quantified by one skilled in the art in the manner recited in the claims. As set forth above, although there is no subjectivity as to *what* the six factors are, there is considerable subjectivity as to the analysis and consideration of these six factors, such that each attorney has his/her own analysis/interpretation with a judge providing a final analysis/interpretation. As set forth above, each party performing an analysis of the six factors reaches a different conclusion or result.

Therefore, the Examiner asserts that for appellant's invention to be enabling to one skilled in the art, appellant would need to provide considerable direction and

guidance as to how to interpret and analyze the six factors so that the calculated metric resulting from this analysis would be predictable and repeatable.

Appellant's specification discloses that the means for specifying or characterizing the predetermined criteria used to evaluate a trade secret under each of the six factors is the user, a human being. In the present case, the user is provided with a questionnaire of multiple choice questions relating to the six factors. Many of the answers to the questions are subjective. Thus, the Examiner asserts that no matter how exacting the six factors are, the subjective analysis as to these six factors render appellant's invention non-repeatable and non-predictable. As seen above, the lack of direction and guidance provided by appellant as to the meaning of numerical score values, how to apply these values, the actual numerical scale to be used, how the scale is applied, or how the factors are weighted would not enable one skilled in the art to make or use the invention without undue experimentation. Furthermore, once the values have been assigned, appellant's invention uses the assigned values to provide a metric which is compared to a threshold value wherein, if the metric exceeds a predetermined threshold level, a determination is made that a protectable trade secret exists. The Examiner asserts that these unspecified values, assigned in an unspecified way, as discussed above, to provide a metric used to make a determination that a protectable trade secret exist render it virtually impossible for one of ordinary skill in the art to make and use appellant's invention without undue experimentation. The appellant's disclosure lacks sufficient guidance and direction as to what the threshold values are. Appellant does not set forth explicit ranges or explicit criteria for scores or

how to apply the scores. There is not sufficient guidance or direction as to how the calculation is performed to produce the metric. Appellant states that the calculation used is any logical and mathematical formula that may be configured into the accounting system that a company may deem best meets its need (see page 18 of the specification). While the instant specification is replete with generalizations, it is short on any specific direction or guidance as to the actual limitations. All of the claim limitations are elusive due to the subjective and inconcrete nature of the invention, thereby casting doubt on the ability of one skilled in the art to which this invention pertains to produce repeatable and predictable results when attempting to analyze individual trade secret scenarios. There is no proof in the prior art that the subjective determination made in the human mind can be reliably and predictably quantified. Therefore, one cannot look to the prior art to overcome the lack of guidance in the appellant's specification. The appellant provides brief descriptions and multiple examples to try to provide guidance as to the numerical scale and how it is applied. However, the appellant has not set forth explicit ranges for the scores, explicit criteria for the scores, how to apply the scores, the equation used to calculate a metric utilizing the scores, the threshold value to which this metric is compared, or a precise scale with precise instructions as how to apply the scale so that one skilled in the art could make or use the appellant's invention so as to produce a concrete, repeatable and predictable result.

Appellant contends that in ranking items or determining the existence of a trade secret base upon a metric or comparing the calculated metric with a threshold, a precise

definition (or means of measuring the units to be used) is not required to perform the ranking or determination or comparison (page 30 or the appeal brief). Appellant asserts that the resulting metric calculated using an undefined scale which is applied in an undefined way and calculated by an undefined equation, is used to determine if a protectable trade secret exist. The appellant himself states that the claims of the application are directed *to the broad concepts described in the specification and include all contexts which perform the specified claim steps regardless of the specific calculations used and that how one would use the numerical score and the definition of the numerical scores are not germane.* Appellant states that appellants claim all contexts which perform the specified claim steps regardless of how the numerical score is defined (page 33-34 of request for re-consideration filed on May 11, 2006).

Appellant further states that the numerical score is used for ranking the potential trade secret with regard to another potential trade secret based upon the calculated metric and determining that the potential trade secret is a trade secret when the calculated metric exceeds a predetermined threshold value and ranking the plurality of trade secrets in ascending order or descending order of the calculated metric (page 30 of the appeal brief). The appellant asserts that the disclosure and the claims could not be more clear. Appellant contends that the invention allows a skilled evaluator to aggregate his judgments on the six independent factors for each of a portfolio of trade secrets into a list of trade secrets sorted in terms of a single value for each trade secret that incorporates his six judgments. Appellant asserts that the tangible output is the sorted list that reflects the judgments (page 37 or the appeal brief).

Appellant states that *some differences in the evaluations of individual skilled evaluators will always be present in any judgment. Nevertheless, impartial evaluations show a remarkable degree on consistency* (page 34 and 35 of the appeal brief).

Applicant states in the related appeal brief that the *applicants expect that, with experience, users will come to an understanding of the threshold values that have moist meaning within their business environments* (page 26 of the appeal brief for application number 09/575,940). Thus, the Examiner asserts that these statements provide further evidence that the invention is not enabled, nor was it enabled at the time of filing, and thus, undue experimentation is needed to make or use the invention.

Thus, the Examiner asserts that when looking at the factors to be consider when determining whether there is sufficient evidence to support a determination that a disclosure does not satisfy the enablement requirement and whether any necessary experimentation is “undue”, appellant’s claims are directed to broad concepts defined by examples and generalities, with an infinite variety of possible scales to be assigned in an infinite variety of ways and used in an infinite variety of calculations, as admitted by the appellant. The Examiner asserts that the nature of the invention is that of a subjective and inconcrete nature. The Examiner asserts that the prior art does not provide guidance or direction so as to enable one skilled in the art to make or use the invention so that the resulting list would be repeatable and predictable. Moreover, there is no evidence that the quantification of the subjective, inconcrete responses or the resulting metric calculated with an undefined calculation would result in a true representation of whether a protectable trade secret exist. A lack of precise definitions

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as to scales, application of scales, calculations used, etc., cast doubt on the ability of one of ordinary skill in the art to produce repeatable and predictable results when attempting to analyze the six factors in different trade secret scenarios, by multiple parties. It is not clear how the appellant takes these subjective analysis and converts them to quantifiable elements limited to the realm of objective perceptions. "Results" based on the subjective perceptions are typically non-repeatable and non-predictable and therefore contribute to the lack of enablement in the specification that one of ordinary skill in the art would need to make and use appellant's invention.

**3. The rejection of claims 1-70 and 119-121 are also rejected under 35 U.S.C. 112, first paragraph since the claimed invention is not supported by either a specific asserted utility or a well established utility.**

This rejection is *withdrawn*.

#### **B. Rejection under 35 USC Section 101**

##### **1. Rejection under 35 USC Section 101 for failing to provide a useful, concrete, tangible, result.**

The Examiner has rejected claims 1-70 and 119-123 under 35 USC Section 101 for failing to produce a useful, concrete, and tangible result.

The Examiner has rejected claims 96-101, 103-110 and 112-118 under 35 USC Section 101 for failing to produce a useful, concrete, and tangible result.

The appellant begins the arguments with the assertion that a discussion of "those skilled in the art" is necessary to frame the discussion under 35 USC Section 101. Appellant then identifies the invention as a new method and device for the evaluation of

trade secrets. Appellant asserts that those skilled in the art would likely include those already experienced in the evaluation of trade secrets by other means, including judges, intellectual property attorneys, and intellectual asset management professionals and would likely not include anyone who is not already well-versed in the evaluation of trade secrets.

Appellant then makes an analogy of a new type of saddle for horse riding and asserts that "those skilled in the art" would be people who already know how to ride a horse with other types of saddles, otherwise the use of the new type of saddle would require "undue experimentation". Appellant states that clearly those skilled in the art would not include anyone who is not already accomplished in riding a horse.

It appears that appellant is asserting that only those who are already accomplished in riding would know how to use a new type of saddle. The Examiner does not exactly understand the relevance of this analogy and does not find it helpful in understanding appellant's position as to those skilled in the art.

Appellant then states that judges are instructed by Section 757 of The Restatement of Torts to consider the six factors of a trade secret in adjudicating trade secret disputes and every trade secret case includes an analysis by the judge of the extent to which the alleged trade secrets meet the six factors. Appellant states that attorneys involved in these cases must also perform such analyses in preparing for and trying these cases. Appellant then contends that those skilled in the art have no difficulty in determining whether a trade secret meets each of the six factors on a non-numeric basis and that one who cannot reliably make such a determination should

probably not be trying trade secret cases and cannot be considered one skilled in the art of evaluating trade secrets. Appellant states that what is new in the present invention is the application of a numeric value to these determinations, to calculate a metric therefrom, and to sort trade secrets based on this metric.

This assertion is confusing to the Examiner in light of the appellant's arguments presented as to the rejections under 35 USC 112, 1<sup>st</sup> paragraph, wherein the appellant states that the determination of the answers to the six questions is not part of the claimed invention, that the claimed invention is limited to the process of ranking trade secrets based upon grading of the six factors of a trade secret, but the grading by the user of each of the six factors is outside the claimed invention (page 15 of the Appeal Brief). Thus, it is unclear how the novelty of the appellant's invention can be the application of a numeric value to these determinations if they are outside of the claimed invention. The Examiner asserts that clearly these determinations are not outside of the claimed invention and thus are relevant in making any determinations as to the patentability of the claimed invention.

Appellant states that the resulting ranking provides insight into the relative merits of the trade secrets in the listing and the extent to which they meet the legal test. The Examiner notes that the appellant then admits that *[o]f course, some differences in the evaluations of individual skilled evaluators will always be present in any judgment* (page 20 of the Appeal Brief). The appellant then provides examples of similar situations, such as movie ratings by experienced film critics and student essay papers graded on a five-point scale by skilled professional teachers as evidence for the appellant's position that

impartial evaluations show a remarkable degree of consistency. Appellant then ask the question of whether professional judgments of skilled judges, attorneys, and other trade secret professionals are so subjective as to render the invention useless.

The Examiner's answer to the appellant's question above is that the evaluations that occur in the mind of judges and teachers is subject matter not patentable under 35 USC 101 as being directed to abstract ideas.

Appellant states that the Examiner argument in support of the assertion that the invention contains non-statutory subject matter is that "because the answers are subjective for a single situation, there could be different results based on the subjective determination of the user" and "[t]herefore, the appellant's invention is not capable of providing concrete results." Once again appellant states that the method of coming to the evaluative judgment on each of the six factors is not a part of the claimed invention. Appellant further states that a different method, device, invention or mental process may be used to arrive at a non-numeric quantitative evaluation with regard to each of the six factors and they would also be outside the scope of the claimed invention. The appellant states that the invention is silent on the method used with coming to the evaluative judgment on each of the six factors and many methods could be employed. Appellant states that once these judgments are made, they enter the scope of the claimed invention, by assigning numerical values, calculating the geometric mean, and ranking the results. The appellant argues that these results are concrete and reproducible, in that, in a given set of evaluations that are performed outside the scope of the invention, they will always produce exactly the same answer once processed

through the steps and apparatus of the claimed invention. The Examiner asserts that even assuming this statement to be true, the appellant has not provided sufficient guidance and direction of how to arrive at the metric or use the metric for the invention to have a practical application with a concrete result.

Appellant further asserts that the Examiner's argument relies upon inclusion of the evaluative process on each of the six factors, which appellant states is not claimed and lies outside the scope of the invention, in order to come to a conclusion that the invention does not provide a concrete result. The appellant asserts that the Examiner's rejection of the claims under 35 USC 101 using this line of reasoning is improper and should be overruled.

The Examiner respectfully disagrees with the appellant's line of reasoning. In a Section 101 analysis, the critical question must be answered: What did the appellant invent? *Arrhythmia Research Technology Inc. v. Corazonix Corp.*, 958 F. 2c 1053, 1059, 22 USPQ2d 1033, 1038 (Fed. Cir. 1992) (quoting *In re Grams*, 88 F. 2d 835, 839, 12 USPQ2d 1824, 1827 (Fed. Cir. 1989)).

Appellant's specification describes the invention as follows:

[0009] In addition to collecting information on the company's trade secrets, an evaluation should be done to determine whether the trade secret is likely to meet the tests applied by the courts. In the United States, Section 757 of the First Restatement of Torts set forth six factors for evaluating the existence of a trade secret to assist the courts in adjudicating trade secret cases. One of the inventions we claim is a method of using the six factors to document, weight, and evaluate the existence of a trade secret and measures to protect the trade secret.

[0020] These and other objectives of the system are accomplished by providing a system in which selected data and other information about the trade secret is collected and characterized and entered into a specialized database with

certain unique functions. The system includes a method and apparatus for protecting a trade secret. The method includes the steps of applying a plurality of generally accepted legal criteria to the content of the trade secret, assigning a value under each criterion and generating one or more metrics from the assigned values through the use of logical and mathematical processes, thereby allowing the comparison of results with predetermined threshold values.

The step of assigning a value to the generally accepted legal criteria is performed by the subjective analysis of the user as admitted by appellant. The appellant states that the essence of the independent claims is a method and apparatus that aggregates user judgment with respect to six necessary component variables for a trade secret into a single variable, condensing the user's judgment into one variable that can be more easily compared, sorted out, and characterized (page 14 of the Appeal Brief). The appellant has provided no teaching of a "comparison" except for what is known to one of ordinary skill in the area of trade secret law. Furthermore, the Examiner submits that the numerical values used or how they are to be applied has not been defined by the appellant in appellant's disclosure.

An analysis of the appellant's claimed invention as to whether it is statutory or not under 35 USC Section 101 because of this subjective analysis and because of the lack of guidance and direction as to what and how to apply the numerical values is set forth below.

As the Supreme Court held, Congress chose the expansive language of 35 U.S.C. § 101 so as to include "anything under the sun that is made by man." Diamond v. Chakrabarty, 447 U.S. 303, 308-09, 206 USPQ 193, 197 (1980). In Chakrabarty, 447 U.S. at 308-309, 206 USPQ at 197, the court stated:

In choosing such expansive terms as "manufacture" and "composition of matter," modified by the comprehensive "any," Congress plainly contemplated that the patent laws would be given wide scope. The relevant legislative history also supports a broad construction. The Patent Act of 1793, authored by Thomas Jefferson, defined statutory subject matter as "any new and useful art, machine, manufacture, or composition of matter, or any new or useful improvement [thereof]." Act of Feb. 21, 1793, ch. 11, § 1, 1 Stat. 318. The Act embodied Jefferson's philosophy that "ingenuity should receive a liberal encouragement." V Writings of Thomas Jefferson, at 75-76. See *Graham v. John Deere Co.*, 383 U.S. 1, 7-10 (148 USPQ 459, 462-464) (1966). Subsequent patent statutes in 1836, 1870, and 1874 employed this same broad language. In 1952, when the patent laws were recodified, Congress replaced the word "art" with "process," but otherwise left Jefferson's language intact. The Committee Reports accompanying the 1952 Act inform us that Congress intended statutory subject matter to "include anything under the sun that is made by man." S. Rep. No. 1979, 82d Cong., 2d Sess., 5 (1952); H.R. Rep. No. 1923, 82d Cong., 2d Sess., 6 (1952). [Footnote omitted]

This perspective has been embraced by the Federal Circuit:

The plain and unambiguous meaning of section 101 is that any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may be patented if it meets the requirements for patentability set forth in Title 35, such as those found in sections 102, 103, and 112. The use of the expansive term "any" in section 101 represents Congress's intent not to place any restrictions on the subject matter for which a patent may be obtained beyond those specifically recited in section 101 and the other parts of Title 35.... Thus, it is improper to read into section 101 limitations as to the subject matter that may be patented where the legislative history does not indicate that Congress clearly intended such limitations.

*Alappat*, 33 F.3d at 1542, 31 USPQ2d at 1556.

35 U.S.C. § 101 defines four categories of inventions that Congress deemed to be the appropriate subject matter of a patent: processes, machines, manufactures and compositions of matter.

Federal courts have held that 35 U.S.C. § 101 does have certain limits. First, the phrase "anything under the sun that is made by man" is limited by the text of 35 U.S.C. § 101, meaning that one may only patent something that is a machine, manufacture, composition of matter or a process. See, e.g., Alappat, 33 F.3d at 1542, 31 USPQ2d at 1556; In re Warmerdam, 33 F.3d 1354, 1358, 31 USPQ2d 1754, 1757 (Fed. Cir. 1994). Second, 35 U.S.C. § 101 requires that the subject matter sought to be patented be a "useful" invention. Accordingly, a complete definition of the scope of 35 U.S.C. § 101, reflecting Congressional intent, is that any new and useful process, machine, manufacture or composition of matter under the sun that is made by man is the proper subject matter of a patent.

The subject matter courts have found to be outside of, or exceptions to, the four statutory categories of invention is limited to abstract ideas, laws of nature and natural phenomena. These three exclusions recognize that subject matter that is not a practical application or use of an idea, a law of nature or a natural phenomenon is not patentable. See, e.g., Rubber-Tip Pencil Co. v. Howard, 87 U.S. (20 Wall.) 498, 507 (1874) ("idea of itself is not patentable, but a new device by which it may be made practically useful is"); Mackay Radio & Telegraph Co. v. Radio Corp. of America, 306 U.S. 86, 94, 40 USPQ 199, 202 (1939) ("While a scientific truth, or the mathematical expression of it, is not patentable invention, a novel and useful structure created with the aid of knowledge of scientific truth may be."); Warmerdam, 33 F.3d at 1360, 31 USPQ2d at 1759 ("steps of 'locating' a medial axis, and 'creating' a bubble hierarchy . . . describe nothing more

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than the manipulation of basic mathematical constructs, the paradigmatic 'abstract idea").

The courts have also held that a claim may not preempt ideas, laws of nature or natural phenomena. The concern over preemption was expressed as early as 1852. See *Le Roy v. Tatham*, 55 U.S. (14 How.) 156, 175 (1852) ("A principle, in the abstract, is a fundamental truth; an original cause; a motive; these cannot be patented, as no one can claim in either of them an exclusive right."); *Funk Bros. Seed Co. v. Kalo Inoculant Co.*, 333 U.S. 127, 132, 76 USPQ 280, 282 (1948) (combination of six species of bacteria held to be nonstatutory subject matter). Accordingly, one may not patent every "substantial practical application" of an idea, law of nature or natural phenomena because such a patent "in practical effect be a patent on the [idea, law of nature or natural phenomena] itself." *Gottschalk v. Benson*, 409 U.S. 63, 71-72, 175 USPQ 673, 676 (1972).

To properly determine whether a claimed invention complies with the statutory invention requirements of 35 USC Section 101, the Examiner must first identify whether the claims fall within at least one of the four enumerated categories of patentable subject matter recited in section 101 (process, machine, manufacture or composition of matter). The appellant's invention is directed to a method or a process and an apparatus. Thus, appellant's invention falls within enumerated statutory classes.

Upon making the determination that the invention is a method or process and an apparatus that fall within enumerated statutory classes, the Examiner must now determine whether the claimed invention falls within one of the Section 101 judicial

exceptions, i.e., is the invention directed to laws of nature, natural phenomena or an abstract idea.

Inventions directed to nothing more than abstract ideas (such as mathematical algorithms), natural phenomena, and laws of nature are not eligible and therefore are excluded from patent protection. Diehr, 450 U.S. at 185, 209 USPQ at 7; accord, e.g., Chakrabarty, 447 U.S. at 309, 206 USPQ at 197; Parker v. Flook, 437 U.S. 584, 589, 198 USPQ 193, 197 (1978); Benson, 409 U.S. at 67-68 , 175 USPQ at 675; Funk, 333 U.S. at 130, 76 USPQ at 281. "A principle, in the abstract, is a fundamental truth; an original cause; a motive; these cannot be patented, as no one can claim in either of them an exclusive right." Le Roy, 55 U.S. (14 How.) at 175. Instead, such "manifestations of laws of nature" are "part of the storehouse of knowledge," "free to all men and reserved exclusively to none." Funk, 333 U.S. at 130, 76 USPQ at 281.

Thus, "a new mineral discovered in the earth or a new plant found in the wild is not patentable subject matter" under Section 101. Chakrabarty, 447 U.S. at 309, 206 USPQ at 197. "Likewise, Einstein could not patent his celebrated law that  $E=mc^2$ ; nor could Newton have patented the law of gravity." Ibid. Nor can one patent "a novel and useful mathematical formula," Flook, 437 U.S. at 585, 198 USPQ at 195; electromagnetism or steam power, O'Reilly v. Morse, 56 U.S. (15 How.) 62, 113-114 (1853); or "[t]he qualities of \* \* \* bacteria, \* \* \* the heat of the sun, electricity, or the qualities of metals," Funk, 333 U.S. at 130, 76 USPQ at 281; see Le Roy, 55 U.S. (14 How.) at 175.

The Examiner asserts that the appellant's invention appears to provide a ranking of trade secrets which is an aggregation of the evaluators subjective judgment on six

factors converted into respective numerical score values, wherein a geometric mean, the sixth root of the product, of the numerical score value creates a metric used to determine the ranking. Thus, the Examiner asserts the appellant's invention is nothing more than a mathematical formula used to provide a ranking and, thus, is a mathematical expression and, therefore, an abstract idea. As stated above, one cannot patent "a novel and useful mathematical formula."

However, the evaluation under 35 USC Section 101 does not stop here. While abstract ideas, natural phenomena, and laws of nature are not eligible for patenting, methods and products employing abstract ideas, natural phenomena, and laws of nature to perform a real-world function may well be. In evaluating whether a claim meets the requirements of section 101, the claim must be considered as a whole to determine whether it is for a particular application of an abstract idea, natural phenomenon, or law of nature, rather than for the abstract idea, natural phenomenon, or law of nature itself.

The Examiner must ascertain the scope of the claim to determine whether it covers either a § 101 judicial exception or a practical application of a § 101 judicial exception. The conclusion that a particular claim includes a § 101 judicial exception does not end the inquiry because "[i]t is now commonplace that an application of a law of nature or mathematical formula to a known structure or process may well be deserving of patent protection." Diehr, 450 U.S. at 187, 209 USPQ at 8 (emphasis in original); accord Flook, 437 U.S. at 590, 198 USPQ at 197; Benson, 409 U.S. at 67, 175 USPQ at 675. Thus, "[w]hile a scientific truth, or the mathematical expression of it, is not a patentable

invention, a novel and useful structure created with the aid of knowledge of scientific truth may be." Diehr, 450 U.S. at 188, 209 USPQ at 8-9 (quoting Mackay, 306 U.S. at 94); see also Corning v. Burden, 56 U.S. (15 How.) 252, 268, 14 L.Ed. 683 (1854) ("It is for the discovery or invention of some practical method or means of producing a beneficial result or effect, that a patent is granted . . .").

For claims including such excluded subject matter to be eligible, the claim must be for a practical application of the abstract idea, law of nature, or natural phenomenon. Diehr, 450 U.S. at 187, 209 USPQ at 8 ("application of a law of nature or mathematical formula to a known structure or process may well be deserving of patent protection."); Benson, 409 U.S. at 71, 175 USPQ at 676 (rejecting formula claim because it "has no substantial practical application").

To satisfy section 101 requirements, the claim must be for a practical application of the § 101 judicial exception, which can be identified in various ways:

- (a). The claimed invention "transforms" an article or physical object to a different state or thing.
- (b) The claimed invention otherwise produces a useful, concrete and tangible result, based on the factors discussed below.

The Examiner asserts that the appellant's invention does not transform an article or physical object to a different state or thing. Calculating a metric using a formula on a computer does not transform an article or physical object to a different state or thing.

For eligibility analysis, physical transformation "is not an invariable requirement, but merely one example of how a mathematical algorithm [or law of nature] may bring about

a useful application." AT&T, 172 F.3d at 1358-59, 50 USPQ2d at 1452. Since the Examiner determined that the claims do not entail the transformation of an article, the Examiner must review the claim to determine if the claim provides a practical application that produces a useful, tangible and concrete result. In determining whether the claim is for a "practical application," the focus is not on whether the steps taken to achieve a particular result are useful, tangible and concrete, but rather that the final result achieved by the claimed invention is "useful, tangible and concrete." The claim must be examined to see if it includes anything more than a § 101 judicial exception. If the claim is directed to a practical application of the § 101 judicial exception producing a result tied to the physical world that does not preempt the judicial exception, then the claim meets the statutory requirement of 35 U.S.C. § 101. If the examiner does not find such a practical application, the examiner has determined that the claim is nonstatutory. In determining whether a claim provides a practical application that produces a useful, tangible, and concrete result, the examiner considers and weighs the following factors:

1). Whether the invention produces a "concrete" result?

Usually, this question arises when a result cannot be assured. In other words, the process must have a result that can be substantially repeatable or the process must substantially produce the same result again. *In re Swartz*, 232 F.3d 862, 864, 56 USPQ2d 1703, 1704 (Fed. Cir. 2000) (where asserted result produced by the claimed invention is "irreproducible" claim should be rejected under section 101). The opposite of "concrete" is unrepeatable or unpredictable. Resolving this question is dependent on the level of skill in the art.

The Examiner asserts that the appellant's invention is not repeatable or predictable. In the present case, many of the answers to the multiple-choice questions in the questionnaire are subjective. Thus, because the answers are subjective, for a single situation, there could be different results based on the subjective determination of the user. The result of the instant invention is list generated using a metric calculated using the subjective analysis of a human being input as numerical score values, the metric used to rank the trade secrets in the list. In the instant application, the lists are the result of expressions of subjective feelings of a particular individual. Even the same person might generate different rankings at different times for the same trade secret, as when the person might feel differently about the trade secret or the company owning the trade secret. Moreover, since the result is subjective and dependent on a cognitive process, a person can be dishonest about how the person actually thinks the trade secret should be ranked and therefore could generate different values used to determine the ranking. The subjective component of appellant's invention is not amenable to reproducibility of a result. In any event, the result (i.e., the list created by ranking the trade secrets and the metric, thereof) is not concrete. The list produced incorporates the subjective analysis of human beings into a numerical score value which in turn is used to calculate the metric which is used for ranking the trade secrets. As for any apparatus claims, the storage of the subjective analysis and the calculation of the metric using the values entered by subjective analysis, does not affect or control how the ranking is performed and the list created. The result is still the presentation of a ranking based on a mental process of a human being. Therefore, the appellant's

invention is not capable of providing concrete results as required by 35 U.S.C. 101 since it would be difficult for a person to repeat the analysis and determination of another based on the subjective subject matter without undue experimentation.

Assuming that the calculated metric based on the subjective analysis is concrete, the invention as a whole still fails to provide a practical application because appellant has not provided any teaching as to what the metric means or how it is to be applied to come up with a substantially repeatable result without undue experimentation by a person of ordinary skill. For example, if the subjective metric calculated is a 132, what would this mean to the user?

2). Whether the invention provides a useful result?

The appellant argues that the Examiner assertion that the claimed invention is not supported by either a credible asserted utility or a well established utility is improper and should be overruled. Appellant then identifies the invention as allowing a skilled evaluator to aggregate his judgments on six independent factors for each of a portfolio of trade secrets into a list of trade secrets sorted in terms of a single value for each trade secret that incorporates his six judgments. The appellant points out that the Examiner questions the usefulness of this list to one in the industry. The appellant asserts that the Examiner has underestimated the skill of the intellectual property bar and bench in the evaluation of trade secrets using parameters that have been well-established law for over six decades in order to come to the conclusion that this list has no usefulness due to the subjective determination of the user. The appellant contends that these evaluations in practice do not have such variability as to render such a list

useless to another user. The appellant further contends that the relatively small variability in these evaluations are inversely proportional to the skill of the user. Appellant states that as with movie ratings, evaluations of trade secrets reflect the skill of the evaluator, and the extent to which a particular evaluation will be considered accurate will depend somewhat on the reviewer. The appellant states that the usefulness of the list will be somewhat dependent on the relative skills of evaluators, but, for evaluators considered skilled in the art, the usefulness of the list will never be zero.

Appellant states that while the Examiner has questioned the usefulness of the produced ranking to a person in the industry, there is no question that the listing is useful to the evaluator himself. Appellant further argues that usefulness to the original evaluator himself is sufficient and therefor the Examiner's rejection of the claims under 35 USC Section 101 based on the argument that the invention fails the usefulness test because it does not provide a specific, credible result which can be used by one in the industry other than the person actually entering the information is improper and should be overruled.

Appellant further argues that as to the utility of the numerical score, the appellant states that the claims do not make any assertion of the utility of the numerical score. The appellant states that the output of the invention in claims 96, 105, and 114 is a ranking of the plurality of trade secrets. Appellant states that one skilled in the art would clearly know how to use such ranking which is an aggregation of the evaluator's judgment on the six factors applying the legal existence of each trade secret in a trade

secret portfolio. Appellant, thus, states that the user's understanding of the numerical score, or lack thereof, does not impact the usefulness of the invention under any of the claims with the possible exception of claims 104, 113, and 118. Appellant argues that claims 104, 113, and 118 require the user to enter a predetermined threshold value. Once again, the appellant states that the user's judgment as to what this threshold value should be in each case lies outside the scope of the claimed invention. Appellant asserts that with experience, users will come to an understanding of the threshold values that have most meaning within their business environment. The Examiner equates having to have experience to understand the threshold values with undue experimentation. Appellant explains that a ranked listing of the full portfolio of trade secrets within a typical company may run to several thousand items listed on hundreds of pages. Appellant further explains that as the most important trade secrets will lie in the upper portion of the ranked listing, the user can determine a suitable threshold value from an observation of what threshold value will limit the output to a reasonably sized list of the most important items. The Examiner asserts that this admission alone is enough to support a proper 101 rejection for failing to provide useful result in that the above determination of a threshold value from an observation of what threshold value will limit the output to a reasonably sized list does not provide a list that has a specific, substantial and/or credible result as the 101 test requires.

Appellant states that this threshold value will depend on many factors, not least of which is the size of the company's trade secret portfolio and the strength of the individual trade secrets therein. Appellant asserts that any requirement that a user

provide a threshold value does not effect the usefulness of the invention and the Examiner's rejection of claims 104, 113 and 118 is therefore improper and should be reversed.

The Examiner respectfully disagrees with the appellant's arguments and assertions and sets forth the following reasons.

For an invention to be "useful" it must satisfy the utility requirement of section 101. The USPTO's official interpretation of the utility requirement provides that the utility of an invention has to be (i) specific, (ii) substantial and (iii) credible. MPEP § 2107 and Fisher, 421 F.3d at \_\_\_, 76 USPQ2d at 1230 (citing the Utility Guidelines with approval for interpretation of "specific" and "substantial").

The Examiner asserts that the utility of the appellant's invention is not specific, substantial or credible and thus does not produce a useful result. Furthermore, the claimed invention is not supported by either a credible asserted utility or a well established utility. It is unclear how the specific utility of the claimed invention as described in the disclosure of this application would be useful to one in the industry. It is unclear how the numerical score value and the calculated metric would be used by a person in the industry, i.e., what does the score mean to a person in the industry, how are the numerical score values applied. This is important especially in view of the fact that any comparison is made by comparing assigned values with a predetermined threshold value. However, the values have not been specifically defined nor guidance or direction given as how to apply the values to lead to a specific/credible use. The predetermined threshold value is not an industry standard value or a mathematically

derived standard and also is not defined or identified in the specification. For example, it is well established and credible that an academic test score of 95 is considered an A in the real world unless specifically defined otherwise. What does the numerical score value that is used by this invention mean and to whom does it have a meaning? Is there a threshold value that has a real world meaning? What does the metric that is provided by calculating the values with the formula mean to the real world? Furthermore, in *In re Swartz*, the court held that evidence that results were irreproducible was sufficient to show the artisan would "reasonably doubt" the asserted utility of an invention. See *In re Swartz*, 232 F.3d 862, 864, 56 USPQ2d 1703, 1704 (Fed. Cir. 2000).

Thus, the Examiner asserts that the appellant's claimed invention does not provide a practical application of an abstract idea that produces a useful result.

3). Whether the invention provides a tangible result?

The appellant states that the tangible output is a sorted list that reflects the judgments the evaluator provided as input to the invention.

The tangible requirement does not necessarily mean that a claim must either be tied to a particular machine or apparatus or must operate to change articles or materials to a different state or thing. However, the tangible requirement does require that the claim must recite more than a § 101 judicial exception, in that the process claim must set forth a practical application of that § 101 judicial exception to produce a real-world result. Benson, 409 U.S. at 71-72, 175 USPQ at 676-77 (invention ineligible because had "no substantial practical application."). "[A]n application of a law of nature or

mathematical formula to a ... process may well be deserving of patent protection.” Diehr, 450 U.S. at 187, 209 USPQ at 8 (emphasis added); see also Corning, 56 U.S. (15 How.) at 268, 14 L.Ed. 683 (“It is for the discovery or invention of some practical method or means of producing a beneficial result or effect, that a patent is granted . . .”). In other words, the opposite meaning of “tangible” is “abstract.”

The Examiner asserts that the appellant’s invention does not produce a real-world result or a beneficial effect and thus has no substantial application. The appellant does not teach any practical application of the resulting subjective metric. The invention is directed to a list produced by a mathematical formula calculated using numerical score values representing the subjective analysis of the user. The mathematical formula used to produce the list is an abstract idea that has no practical application. Therefore, the list produced by using a metric to rank trade secrets in which the metric is calculated using numerical score values representing the subjective analysis of the user, the numerical score values representing the subjective analysis being used to calculate the metric, does not provide a practical application of the mathematical formula. Therefore, the invention is directed to an abstract idea and the result of the invention is not tangible, but is also an abstract idea.

Thus, the Examiner asserts that the rejection under 35 USC section 101 is correct. The appellant has failed to define the numerical score values, how to apply the numerical score values or the threshold values, thereby, each user left to determine their own values. Because each user is making a subjective analysis and entering the numerical score values based on this subjective analysis, any metric produced using

these values and any ranking resulting from the use of the metric would not be concrete since it is hard to reproduce another's subjective determination. Furthermore, since there are no defined values that are repeatable and no defined application of the values, the ranking of the trade secrets would have different meanings and be performed differently by each of the users. Therefore, the invention does not produce a repeatable or concrete or tangible result as required by the statute. Furthermore, the invention does not produce a useful result because a person skilled in the art would not know what the metric and ranking resulting from the metric would mean or how to apply or use the metric and listing without conducting their own undue experimentation.

The Examiner asserts that the appellant's claimed invention does not set forth a practical application of an idea to produce a real-world result. Appellant's invention is not an invention of some practical method or means of producing a beneficial result or effect, and thus does not provide a tangible result.

**2. Rejection of claims 8-31, 49-56 and 69 under 35 USC 101 for claiming a human being.**

Claims 8-31, 49-56 and 69 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Appellant admits that the invention allows a skilled evaluator to aggregate his judgments on six independent factors for each of a portfolio of trade secrets into a list of trade secrets sorted in terms of a single value for each trade secret that incorporates the evaluator's judgment. The Examiner asserts that the user is the means for performing the function disclosed in claims 8-31, 49-56, and 69.

MPEP 2105 states if the broadest reasonable interpretation of the claimed invention as a whole encompasses a human being, then a rejection under 35 U.S.C. 101 must be made indicating that the claimed invention is directed to nonstatutory subject matter.

The Examiner asserts that the means for performing the function in the above referenced claims appears to be a human being. Therefore, these claims are directed to nonstatutory subject matter.

**C. Rejection of claims 1, 3-35, 37-39, 43-44, 47-57, 60-63, 67-70 and 121 rejected under 35 U.S.C. 102(e) as being anticipated by Donner (US 6, 263, 314).**

The appellant's primary argument is that the Examiner is ignoring the claim limitations requiring that the questionnaire be directed to the six factors of a trade secret. The appellant's claims are directed to systems. The questionnaire is data displayed on a screen.

Since appellant's invention is directed to a system, the Examiner looks at the structure defined in the claim language and whether the prior art has the capability of performing the steps that the appellant claims that appellant's structure can perform. While features of an apparatus or system may be recited either structurally or functionally, claims directed to an apparatus or system must be distinguished from the prior art in terms of structure rather than function alone. If the Examiner has reason to believe that a functional limitation can be performed by the prior art structure, the examiner should establish a *prima facie* case, and then the burden shifts to the appellant to prove otherwise. Appellant has failed to meet this burden. It is the

Examiner's position that Donner disclose all the claimed structural limitations and that the disclosed structure is capable of performing the recited function.

Since appellant is claiming a system in this application, appellant must identify in the specification the corresponding structure or the equivalents for the "means plus function." It is the Examiner's position that the appellant has failed to make clear the corresponding structure or acts disclosed in the specification for the means plus function language.

Donner discloses a system for providing documentation, analysis, auditing, and accounting of IP (which includes trade secrets), said system comprising:

a data processing means for calculating (Fig. 1 (6), Fig. 8 (250); col. 11, lines 1-10); a user interface means for providing predetermine criteria for a user to evaluate a potential trade secret and to receive a numerical score (Figure 1 (2); Fig. 7, Fig. 8 (264)); a mass data storage means (Fig. 1 (4)(5), Fig. 2); a means for indexing (Fig. 3 (indicator collection organizing device)); a means for storing or archiving or indexing (Fig. 1 (4) (5), Fig. 2); a means for associating (Fig. 1 (10), Fig. 3 comparison device); a means for analyzing, comparing and weighing (col. 5, lines 5-17; Figure 1 (8) Figure 2 (20)); a means for ranking (col. 9, lines 61-64).

The Examiner asserts that the system of Donner is fully capable of performing the functions set forth in appellant's claims. The Examiner submits that while features of an apparatus may be recited either structurally or functionally, claims directed to an apparatus must be distinguished from the prior art in terms of structure rather than function alone (See MPEP 2114).

If the Examiner has a “reason to believe” that a functional limitation can be performed by the prior art structure, the Examiner should establish a *prima facie* case, and then shift the burden to the appellant to prove otherwise. (See *In re Swinehart*, 169 USPQ 226 (CCPA 1971); *In re Schriber*, 44 USPQ 2d 1429 (Fed. Cir. 1997). The Examiner asserts that the appellant has failed to meet this burden.

The appellant states that the Examiner is clearly ignoring the claim limitations requiring that the questionnaire be directed to the six factors of a trade secret. Appellant states that Donner does not do the same or any similar thing in exactly the same way as that of the claimed invention.

The appellant’s invention provides a questionnaire with multiple choice questions via an user interface, each response to the questions being given a numerical value, wherein a single metric is created using the numerical values and the metrics are then ranked. The Examiner asserts that the scoring of the multiple choice questions and the calculation of a metric value using the scored values and then performing a ranking based on the metric value would be the same regardless of the data presented in the questions. The fact that the subject matter is about trade secrets or that the questions relate to the First Restatement of Torts is determined to be non-functional descriptive data. The language is not functionally interrelated with the structure or properties of the claimed invention. The weighted scoring and ranking would be performed the same regardless of the data. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, see *In re Gulack*, 703 F. 2d 1381,

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1385, 217 USPQ 401, 404 (Fed. Cir. 1983), *In re Lowry*, 32 F. 3d. 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).

Furthermore, the system of Donner is directed to Intellectual Property which encompasses trade secrets.

**D. Claims 1-41, 43-44, 47-57, 60-63, 67-70 and 121 are rejected under 35 U.S.C. 102(e) as being anticipated by Eder (US 6,393, 406).**

The appellant's arguments are the same as addressed above in relation to Donner.

Since appellant's invention is directed to a system, the Examiner looks at the structure defined in the claim language and whether the prior art has the capability of performing the steps that the appellant claims that appellant's structure can perform. While features of an apparatus or system may be recited either structurally or functionally, claims directed to an apparatus or system must be distinguished from the prior art in terms of structure rather than function alone. If the Examiner has reason to believe that a functional limitation can be performed by the prior art structure, the examiner should establish a *prima facie* case, and then the burden shifts to the appellant to prove otherwise.

Eder discloses a system comprising data processing means (Fig. 3 (136)); a user interface for providing predetermined criteria and receiving data (Fig. 1 (20)); mass data storage means (Fig. 1 (15, 10, 30, 35, 40, 50) Fig. 3 (135)); printer means (Fig. 3 (137), Fig. 12 (118)); calculating means (Fig. 1 (400), Fig. 12 (772)); comparison or analysis means (Fig. 12 (773)).

The Examiner asserts that the language directed to an intended use of the system in a claim for an apparatus or system does not result in a structural or functional difference with respect to the prior art and held not to serve as a limitation on the claim as long as the prior art is fully capable of performing the function. (See *In re Schreiber*, 44 USPQ2d 1429 (CAFC 1997). The Examiner asserts that while features of an apparatus may be recited either structurally or functionally, claims directed to an apparatus must be distinguished from the prior art in terms of structure rather than function alone (See MPEP 2114).

If the Examiner has a “reason to believe” that a functional limitation can be performed by the prior art structure, the Examiner should establish a prima facie case, and then shift the burden to the appellant to prove otherwise. (See *In re Swinehart*, 169 USPQ 226 (CCPA 1971); *In re Schreiber*, 44 USPQ 2d 1429 (Fed. Cir. 1997). The Examiner asserts that the appellant has failed to meet this burden.

The appellant states that Eder is not inherently capable of aggregating user judgments related to trade secrets and does not provide any means for ranking potential trade secrets. Appellant states that Eder does not do the same or similar thing as that claimed in the claimed invention. The Examiner asserts that the system of Eder would be fully capable of ranking data. Eder disclosed extraction, aggregation, analysis of data and automating of the retrieval, storage, and analysis of information useful for valuing intangible assets, whereby the system allows for comparison and tracking of information. (col. 4, lines 20-33; col. 5, lines 23-37)

The appellant's invention provides a questionnaire with multiple choice questions via an user interface, each response to the questions being given a numerical value, wherein a single metric is created using the numerical values and the metrics are then ranked. The Examiner asserts that the scoring of the multiple choice questions and the calculation of a metric value using the scored values and then performing a ranking based on the metric value would be the same regardless of the data presented in the questions. The fact that the subject matter is about trade secrets or that the questions relate to the First Restatement of Torts is determined to be non-functional descriptive data. The language is not functionally interrelated with the structure or properties of the claimed invention. The weighted scoring and ranking would be performed the same regardless of the data. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, see *In re Gulack*, 703 F. 2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983), *In re Lowry*, 32 F. 3d. 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).

Furthermore, the system of Eder is directed to intangible asserts which include intellectual property and, therefore, trade secrets.

**E. Claims 42, 45-46, 58-59 and 64-66 are rejected under 35 U.S.C. 103(a) as being unpatentable over Donner and Eder as applied to claim 1 above, and further in view of Haber et al (US 5,136,646) (hereinafter referred to as Haber).**

The appellant's arguments as to Donner and Eder have been addressed above.

Since appellant's invention is directed to a system, the Examiner looks at the structure defined in the claim language and whether the prior art has the capability of performing the steps that the appellant claims that appellant's structure can perform.

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While features of an apparatus or system may be recited either structurally or functionally, claims directed to an apparatus or system must be distinguished from the prior art in terms of structure rather than function alone. If the Examiner has reason to believe that a functional limitation can be performed by the prior art structure, the examiner should establish a *prima facie* case, and then the burden shifts to the appellant to prove otherwise.

The Examiner notes that appellant provides no arguments as to feature for which Haber was applied as a reference.

**F. Claims 2 and 40-41 are rejected under 35 U.S.C. 103(a) as being unpatentable over Donner as applied to claim 1 above, and further in view of Eder.**

The appellant's arguments are the same as addressed above. Since appellant's invention is directed to a system, the Examiner looks at the structure defined in the claim language and whether the prior art has the capability of performing the steps that the appellant claims that appellant's structure can perform. While features of an apparatus or system may be recited either structurally or functionally, claims directed to an apparatus or system must be distinguished from the prior art in terms of structure rather than function alone. If the Examiner has reason to believe that a functional limitation can be performed by the prior art structure, the examiner should establish a *prima facie* case, and then the burden shifts to the appellant to prove otherwise.

**G. Claims 119-120 and 122-123 are rejected under 35 U.S.C. 103(a) as being unpatentable over Spencer (US 6,356,909) (hereinafter referred to as Spencer) in view of Barney et al (6,556,992) (hereinafter referred to as Barney).**

Spencer discloses computer method, system and program that provides a questionnaire of multiple-choice questions (Figures 14, col. 12, line 65 thru col. 13, line 18 - *multiple choice questions*), provides a numerical score value to each of the responses on the questionnaire (col. 12, line 65 thru col. 13, line 18 *multiple choice questions may have a sliding value depending on the answer selected. Each question/selection is given a weight that is used to develop a scorecard*), accepting responses to the questionnaire through an input device (col. 13, lines 11-18 *individual question responses*, Figure 3A – (4) *Response database*), converting the responses received to a numerical score value (col. 12, line 65 thru col. 13, line 18 *scorecard*).

The Examiner asserts that Spencer does not disclose that the subject matter of the invention is trade secrets or that the questions in the questionnaire relate to the six factors for a trade secret of the First Restatement of Torts, or calculating a geometric mean, the sixth root of the product, of the numerical score values to create a single metric, or repeating the program for each of the remaining items to be evaluated or ranking the items in ascending or descending order of the calculated metric.

However, the Examiner combined Barney with Spencer. Barney discloses repeating a program for each of the remaining items to be evaluated and ranking the items, wherein the items are patents and other intangible intellectual property assets (*trade secrets*) (col. 5, lines 56-62, col. 6, lines 3-9 *ratings or rankings are generated using a database of information by identifying and comparing various characteristics of*

*each patent to a statistically determined distribution of the same characteristic within a given patent population, col. 7, lines 51-60)* The Examiner notes the appellant's admission that ***ranking in ascending or descending order is inherent in the definition of ranking*** (see the Remarks submitted on February 10, 2005, page 18).

The Examiner asserts that it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the ranking of intellectual property assets as taught by Barney into the disclosure of Spencer so as to allow an entity to identify and study relevant characteristics of intellectual property to determine and measure those metrics that are predictive of a possible future event, such as an intangible intellectual property asset being litigated.

The Examiner also stated that although Barney discloses a rating for patents and other intangible intellectual property assets, neither Spencer or Barney explicitly disclose rating trade secrets or the questions relating to the six factors for a trade secret of the First Restatement of Torts or calculating a geometric mean, the sixth root of the product, of the numerical score value.

However, a geometric mean is old and well known. Geometric mean as defined by the Merriam Webster on line dictionary as:

Main Entry: **geometric mean**  
Function: noun  
: the nth root of the product of  $n$  numbers; specifically  
: a number that is the second term of three consecutive terms of a geometric progression <the geometric mean of 9 and 4 is 6>

Thus, the geometric mean of the appellant's six factors for a trade secret would be the sixth root of the product of the six factors.

The appellant argues that it is not obvious to one skilled in the art at the time of the invention to modify Spencer to include a geometric mean. Appellant states that Spencer forms his scorecards from a summing, or totaling, of weighted values assigned to questionnaire responses. The appellant states that Barney uses statistical regression analysis in generating his ranking criteria and does not disclose the geometric mean in the evaluation of intellectual property. Appellant states that the Examiner does not address why this particular mathematical calculation, out of the tens of thousands of "old and well-known" mathematical function in various sources, including the United States Department of Commerce handbook, *The Handbook of Mathematical Functions*, should be considered obvious in the creation of a ranking criteria for intellectual property. Appellant ask, *why, given the large number of mathematical calculations available, should this calculation be considered an obvious extension of Spencer?* Appellant ask *how obvious is the selection of a single mathematical calculation out of tens of thousand of possibilities, all of which are "old and well-known", as being peculiarly appropriate for the creation of a ranking criteria for trade secrets?* The appellant states that the use of the geometric mean differentiates appellant's invention from the prior art, including Spencer and Barney. However, in the specification, the appellant states:

For example, once values have been assigned under the relevant criteria, the **assigned values may be averaged to provide the relevant metric.** Alternatively, the **six assigned values may be multiplied and the sixth root taken of the product.** The metric obtained using such process may be compared by the user or by the accounting system (e.g., within a comparator processor) with a threshold value. Where the metric exceeds the predetermined threshold level, a determination may be made that a protectable trade secret exists (paragraph [0097])

Thus, it appears that several methods of obtaining the relevant metric may work equally as well as the geometric means. Furthermore, in the Remarks submitted with the amendment filed on February 10, 2005, appellant, in response to the Examiner's question as to how the one or more metrics are generated responded: "the assigned values may be averaged to provide the relevant metric. Alternatively, the six assigned values may be multiplied and the sixth root taken of the product."

Spencer discloses providing a questionnaire and a scoring and weighting program (col. 3, lines 26-43), wherein a score is automatically tallied by the system to give reviews a preliminary list (col. 4, lines 7-23) and wherein the computer program ranks responses and orders them (col. 8, lines 66-67). The Examiner asserts that it would have been obvious to one of ordinary skill in the art at the time of the invention to modify the reviewing and analyzing method and system disclosed in Spencer to include a geometric mean that is the nth root of the product of n numbers to produce a metric for comparison since any means of tallying a score to arrive at a metric would provide the metric that is used to make a comparison. The Examiner asserts that it is an obvious choice to take a number of values and multiply them together and then divide them by the nth root, this being the actual number of values being multiplied together, to get a metric. As stated above, the assigned values may also be averaged to provide the relevant metric.

The appellant asserts that the Examiner has not properly addressed that the subject matter of the invention is trade secrets and the fact that the questionnaire relates to the six factors of a trade secret from the First Restatement of Torts.

The appellant's invention provides a questionnaire with multiple choice questions, each response to the questions being given a numerical value, wherein a single metric is created using the numerical values and the metrics are then ranked. The Examiner asserts that the scoring of the multiple choice questions and the calculation of a metric value using the scored values and then performing a ranking based on the metric value would be the same regardless of the data presented in the questions. The fact that the subject matter is about trade secrets or that the questions relate to the First Restatement of Torts is determined to be non-functional descriptive data. The language is not functionally interrelated with the useful acts, structure or properties of the claimed invention. The weighted scoring and ranking would be performed the same regardless of the data. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, see *In re Gulack*, 703 F. 2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983), *In re Lowry*, 32 F. 3d. 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).

Furthermore, Barney discloses repeating a program for each of the remaining items to be evaluated and ranking the items, wherein the items are patents and other intangible intellectual property assets. A trade secret is an intellectual property asset and thus would be encompassed by the items in Barney.

Therefore, the Examiner asserts that it would have been obvious to one of ordinary skill in the art at the time of the invention to provide weighted scoring and ranking of trade secrets because such data does not functionally relate to the steps of the method or the structure of the system and because the subjective interpretation of

the data does not patentably distinguish the claimed invention. The appellant is essentially providing a questionnaire regarding a defined subject matter, inputting or assigning a subjective analysis of the questions in the questionnaire in the form of numerical score values, calculating a geometric mean by multiplying the numerical score values together and taking the nth root of the product, the n being the number of numerical scores multiplied together, producing a metric and ranking the metric. Thus, the Examiner asserts that the type of data in the questions would be non-functional descriptive data, not functionally related to the steps of the method or the structure of the apparatus.

The Examiner asserts that the Examiner's rejection is proper and should be sustained.

**(11) Related Proceeding(s) Appendix**

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

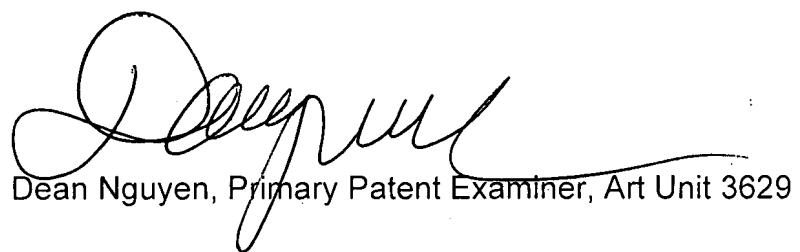


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